

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

MOONEY AEROSPACE GROUP, LTD.

Debtor.

Chapter 11

Case No. 04-11733 (MFW)

Hearing Date: To be determined

Objection Deadline: To be determined

**APPLICATION FOR ORDER AUTHORIZING THE EMPLOYMENT
AND RETENTION OF ARENT FOX PLLC AS COUNSEL TO
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

TO: THE HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

The Official Committee of Unsecured Creditors (the "Committee") of Mooney Aerospace Group Ltd. (the "Debtor"), as and for its application (the "Application") seeking entry of an order, pursuant to Sections 328 and 1103(a) of Title 11 of the United States Code (the "Bankruptcy Code"), authorizing the employment and retention of Arent Fox PLLC ("Arent Fox") as counsel to the Committee, respectfully represents as follows:

BACKGROUND

1. On June 10, 2004 (the "Petition Date"), the Debtor filed with this Court a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtor continues to operate its businesses and manage its affairs as debtor-in-possession.

2. On June 30, 2004, the United States Trustee for the District of Delaware appointed three members to the Committee pursuant to Sections 1102(a) and 1102(b) of the Bankruptcy Code. The members of the Committee include AP Long Beach Airport LLC, Stonestreet Limited Partnership, Jenkins & Gilchrist Parker Chapin LLP. On June 30, 2004, the Committee selected Arent Fox as its counsel, subject to Court approval.

3. On July 6, 2004, the Committee selected Michael Finkelstein of Stonestreet as its chairperson. The Committee has also selected Duane Morris as Delaware counsel, subject to Court approval. The Committee has not selected its financial advisors.

JURISDICTION AND VENUE

4. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334(b). Venue of these proceedings is proper in this Judicial District pursuant to 28 U.S.C. §§ 1408 and 1409. Sections 327, 328 and 1103(a) of the Bankruptcy Code and Bankruptcy Rule 2014 are the statutory predicates for the relief sought by this Application.

RELIEF REQUESTED HEREIN

5. The Committee seeks to employ Arent Fox, which maintains offices for the practice of law at 1050 Connecticut Ave., N.W., Washington, D.C. 20036, and 1675 Broadway, New York, New York 10019, as its counsel in this Chapter 11 case, effective as of June 30, 2004.

6. The Committee has selected Arent Fox because its members and associates have considerable expertise in the fields of bankruptcy, insolvency, reorganizations, liquidations, debtors' and creditors' rights, debt restructuring and corporate reorganizations, commercial litigation and intellectual property, among others. Accordingly, the Committee believes that Arent Fox is well qualified to represent it in this Chapter 11 case.

7. Mark D. Taylor will be primarily responsible for Arent Fox's representation of the Committee on this matter. Mr. Taylor is a member of the Financial Restructuring and Bankruptcy Practice Group at Arent Fox. Mr. Taylor has been practicing for over 13 years, concentrating in litigation, bankruptcy, and insolvency law. Mr. Taylor also has significant experience in representing committees, debtors, and creditors in complex Chapter 11 cases. Mr.

Taylor received his J.D. from the University of Utah College of Law and earned a B.A. from Boise State University.

8. The professional services Arent Fox will be required to render include, but are not limited to the following:

- (a) to assist, advise and represent the Committee in its consultation with the Debtor relative to the administration of this Chapter 11 case;
- (b) to assist, advise and represent the Committee in analyzing the Debtor's assets and liabilities and investigating the extent and validity of liens;
- (c) to attend meetings and negotiate with the representatives of the Debtor and secured creditors;
- (d) to assist and advise the Committee in its examination and analysis of the conduct of the Debtor's affairs;
- (e) to assist the Committee in the review, analysis and negotiation of any plan(s) of reorganization that may be filed and to assist the Committee in the review, analysis and negotiation of the disclosure statement accompanying any plan(s) of reorganization;
- (f) to assist the Committee in the review, analysis, and negotiation of any financing or funding agreements;
- (g) to take all necessary action to protect and preserve the interests of the Committee, including, without limitation, the prosecution of actions on its behalf, negotiations concerning all litigation in which the Debtor is involved, and review and analysis of all claims filed against the Debtor's estate;
- (h) to generally prepare on behalf of the Committee all necessary motions, applications, answers, orders, reports and papers in support of positions taken by the Committee;
- (i) to appear, as appropriate, before this Court, the Appellate Courts, and other Courts in which matters may be heard and to protect the interests of the Committee before said Courts and the United States Trustee; and
- (j) to perform all other necessary legal services in this case.

9. Arent Fox and Duane Morris will work together to ensure that there will be no unnecessary duplication of efforts on behalf of, or services rendered to, the Committee.

10. Arent Fox has indicated a willingness to act on behalf of the Committee and render the necessary professional services as attorneys for the Committee.

11. Subject to this Court's approval, Arent Fox will charge for its legal services on an hourly basis in accordance with its ordinary and customary hourly rates for services of this type and nature and for this type of matter in effect on the date such services are rendered and for its actual, reasonable and necessary out-of-pocket disbursements incurred in connection therewith as set forth in the annexed declaration of Mark D. Taylor (the "Taylor Declaration").

12. Arent Fox intends to apply to the Court for allowance of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the applicable Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules and Orders of this Court. Compensation will be payable to Arent Fox in compliance with the above rules, on an hourly basis, plus reimbursement of actual, necessary expenses incurred by Arent Fox.

13. To the best of the Committee's knowledge, other than as disclosed in the Taylor Declaration, Arent Fox and its respective attorneys have no connection with and no interests adverse to the Committee, the Debtor, the creditors, the estate or any other party in interest herein or their respective attorneys or accountants in matters relating to the Debtor and its estate.

14. To the best of the Committee's knowledge and except as otherwise disclosed in the Taylor Declaration, Arent Fox (i) does not hold or represent any interest adverse to the Committee with respect to the matters for which it is being retained, (ii) Arent Fox is a "disinterested person" as that phrase is defined in Section 101(14) of the Bankruptcy Code (as modified by Section 1103(b) of the Bankruptcy Code), (iii) neither Arent Fox nor its

professionals have any connection with the Debtor, its estate or creditors, and (iv) Arent Fox's employment is necessary and in the best interests of the Debtor's estate.

15. The Committee believes that the retention of Arent Fox is in the best interests of the Committee, the Debtor, and its estate and creditors.

16. No prior application has been made for the relief requested herein to this or any other Court.

NOTICE

17. Notice of this Application has been given to (a) the Office of the United States Trustee, (b) counsel to the Debtor and (c) all other persons who have requested notice pursuant to Bankruptcy Rule 2002. The Committee respectfully submits that such notice is sufficient, and requests that this Court find that no further notice of the relief requested herein is necessary or appropriate.

CONCLUSION

WHEREFORE, the Committee respectfully requests that this Court approve the retention of Arent Fox as counsel to the Committee effective as of June 30, 2004, enter the

proposed order authorizing the retention of Arent Fox as counsel to the Committee and grant such other and further relief as this Court deems just and proper.

Dated: July __, 2004

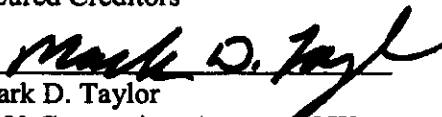
THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF MOONEY
AEROSPACE GROUP, LTD.

By: _____

Chair
Michael Finkelstein
Stonestreet Limited Partnership

ARENT FOX PLLC
Proposed attorneys for the Official Committee
of Unsecured Creditors

By: _____


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